

Foreclosure Prevention During COVID-19

Borrowers affected by the coronavirus who are having difficulty paying their mortgage should reach out to their mortgage servicers as soon as possible or a HUD-certified Housing Counseling Agency. The following are some questions you may have with answers from local HUD-certified Housing Counseling Agencies:

Q. Does your agency provide financial assistance to pay off my arrears?

A. HUD Approved Housing Counseling Agencies do not provide financial assistance for mortgage arrears, but Certified Housing Counselors provide critical assistance, helping homeowners negotiate with their mortgage servicer to secure an alternative to foreclosure, where possible.

Q. How long does it take to get a modification/payment plan/forbearance plan?

A. The timeline varies based on how fast the borrower submits paperwork to the mortgage company, the efficiency of the mortgage company receiving and reviewing the paperwork, and the capability and willingness of the borrower to change their financial situation to increase the chances of getting a modification/payment plan/forbearance plan. However, it is the law for the mortgage company to provide a written acceptance or denial within 30 days of receiving the completed paperwork from the borrower.



The timeline can range from 30 days to 3 months. Maintaining constant communication between the borrower, mortgage company and Housing Counselor may help speed up the process.

Q. What information will be required by the Housing Counseling Agency?

A. First, complete the form sent to you by the housing counseling agency and provide the following: (1) a copy of a picture ID (social security may be required for Fannie Mae secured loans); (2) a hardship letter that explains your situation; (3) a copy of all your settlement documents (Deed, Deed of Trust, Note, Truth-in lending statements); (4) a copy of your mortgage statement or coupon book; (5) any correspondence from the mortgage company or its attorney, courts or Sheriff; (6) copies of utility bills showing the borrower's name and address (gas, electricity, water); (7) a copy of current paystubs (30 days consecutive paystubs and income for all household members); (8) unemployment award letter if applicable; (9) a copy of current bank statements for the past three months (including all pages); and (10) two most recent years' Tax returns (taxes should be signed, dated and w2's included). In some instances, you may be required to pay a credit report fee. No other charges are applicable.

Q. What are some of the homeownership services provided by a housing counseling agency?

A. A HUD-certified housing counseling agency can: (1) assist homeowners with navigating the complexities associated with mortgage financing; (2) assist homeowners with a forbearance plan that meets their financial needs; and (3) assist with loan modifications, subject to the lender's approval.



Q. What are the COVID-19 Mortgage Relief options currently available to homeowners?

A. Options are changing regularly. Please refer to these helpful websites for more information:

Maryland **Department of Labor Licensing and Regulations (DLLR)** Coronavirus/COVID-19: Mortgage Relief and Foreclosure Prevention - Financial Regulations

<https://www.dllr.state.md.us/finance/consumers/frmortgagecovid.shtml>

Maryland **Department of Housing and Community Development (MDHCD)**

<https://dhcd.maryland.gov/Residents/Documents/HOPE/MarylandForeclosureCounselingGuide.pdf>

Q. I lost my employment when the pandemic occurred, and I am unable to pay my full mortgage payment for this month and possibly next month. What should I do?

A. *Contact your lender immediately and a HUD-certified Housing Counseling Agency. Although contacting the lender to inform them of your employment situation is extremely important, you may not know all of the options that the lender must provide under the current law due to the pandemic. The HUD-certified Housing Counseling Agency will know the law and assist you in having the information that you need before you begin any negotiations with your lender.*

HUD-Certified Housing Counseling Agencies

Centro de Apoyo Familiar (CAF) Bilingual
301.328.3292- <https://mycaf.org/asset-building/>

Housing Options & Planning Enterprises, Inc. (HOPE)
301.567.3330- <https://hopefinancial.org/>

Housing Initiative Partnership (HIP) Bilingual
301.699.3835- <https://hiphomes.org>

Manna, Inc.
202.534.1048- <https://www.mannadc.org/>

Homefree

301.891.8401- <https://www.homefreeusa.org/>

United Communities Against Poverty (UCAP)

301.322.3381- <https://www.ucappgc.org/>